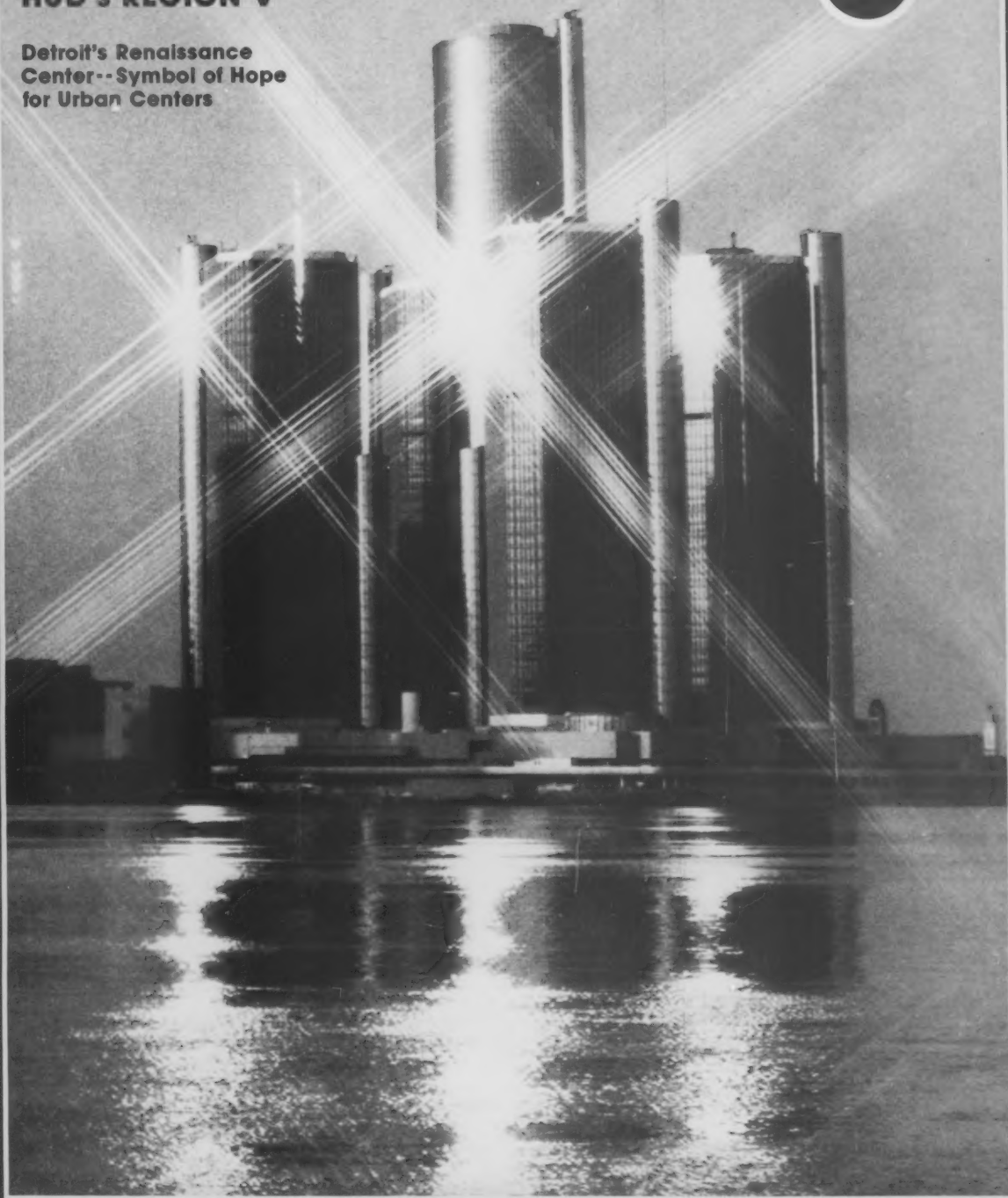


hudChallenge

HUD's REGION V

**Detroit's Renaissance
Center--Symbol of Hope
for Urban Centers**





New Fair Housing Theme Announced

"Fair Housing—A Basic Right/Right Now" is the new theme selected for HUD's Fair Housing Voluntary Compliance billboard campaign. The new theme will replace the one now in use on more than 1 million billboards across the Nation erected by the Outdoor Advertising Association of America, Inc. The old campaign theme was "Fair Housing—An Ideal for Americans." The new theme will appear on more than 3,500 additional billboards now on order from the Association. Also, the theme will be featured in all activities connected with the 10th anniversary observance of Fair Housing Month set to begin next April. HUD Secretary Patricia Harris selected the new theme from a list of seven suggestions made by a national committee of civil rights and fair housing and representatives of national organizations.

Almost Two-thirds of Nation's Homes Owner-Occupied

According to the United States League of Savings Associations, based on the 1970 census, 62.9 percent of the Nation's 63.5 million housing units were owner-occupied. The League called this the highest percentage in the world. While California and New York have the most dwelling units, Indiana and Iowa, with a ratio of 71.7 percent, ranked at the top with the highest percentage of owner-occupied housing. Other States in the top 10 were Minnesota, Idaho, Maine, South Dakota, Utah, Oklahoma, Wisconsin, and Kansas. The data are included in the 1977 edition of the League's "Fact Book."

Tenant Task Force Created

HUD Secretary Patricia Harris has announced that a task force will be set up to develop a process for giving tenants a voice in the management of the public housing in which they live. The task force will be a partnership of tenants, managers, and HUD staff dedicated to improving the living conditions and housing options for more than 4 million people living in public housing. Also, the task force will seek the views of the groups involved and reach a consensus that will become the basis for recommendations to HUD for developing new regulations. The first HUD advisory committee to include members of tenant associations grew out of a consumer forum on tenant participation held in Washington last April. At HUD's invitation, some 900 tenants and their representatives from across the Nation discussed the role of tenants in managing public housing. HUD's Office of the Assistant Secretary for Neighborhoods, Voluntary Associations, and Consumer Protection and the Office of the Assistant Secretary for Housing will coordinate the work of the task force which is expected to take one year.

'Sun Day'

Plans are underway for the observance of "Sun Day" to be held on May 3, 1978. Purpose of the event is to stimulate public opinion in favor of solar energy, and will be similar to "Earth Day," held on April 22, 1970. Unlike "Earth Day," which was an almost extemporaneous effort based on college campuses, "Sun Day" will be far broader based and will involve labor unions, religious and civic groups and consumer organizations as well as environmental groups. Plans include exhibitions, teach-ins, lectures, conferences, and media publicity aimed at spreading the message that solar power is immediately feasible in many forms. These include sunlight-absorbing panels, electric power plants generated by solar energy, wind-tidal- and ocean-heat energy capture devices and "biomass"—the solar energy latent in plants. Dennis Hayes, an environmental activist and researcher at Washington's Worldwatch Institute, is promoting the event.

Housing Counseling Program Expanded

HUD will allocate more than \$1.25 million in grants to 166 local counseling agencies in an expanded program designed to help people with housing problems. Previously limited to home buyers seeking advice prior to purchase, and to homeowners facing default on their mortgages, the program is now being expanded to include renters as well. Counseling is available to home buyers and homeowners with mortgages insured or assisted by HUD, including owners of cooperatives, condominiums, and mobile homes. Client services offered by HUD-approved counseling agencies include providing information on such matters as energy conservation, advice on selecting housing, shopping for financing, signing the necessary contracts, handling mortgage payments, and flood and crime insurance, etc. Counseling agencies are required to give counseling priority to low- and moderate-income people. (See *HUD Challenge*, November 1977.)

Guidelines Set for New Home Insulation

The National Association of Home Builders (NAHB) has announced the establishment of voluntary guidelines for insulating new houses in any part of the country. The new "thermal performance" guidelines set the criteria for insulating ceilings, walls, windows, floors, doors, and ducts, and are considered an "accurate new tool" for dealing with the energy crisis. NAHB President Robert Arquilla noted that the guidelines are expected to serve as a model for the new U.S. Department of Energy, which has been given the task of setting Federal energy-conservation standards for all new construction by 1980.

hudChallenge

U.S. Department of Housing and Urban Development Patricia Roberts Harris, Secretary

Volume VIII, Number 12 / December 1977

-
- 2 Inside Region V—A Statement
by Regional Administrator Ronald Gatton
-
- 3 Minnesota's Housing Rehabilitation Conference: A
Unique Training Effort
-
- 4 Goals Management in Region V
-
- 6 Rural Wisconsin Counts
-
- 8 Urban Homesteading: Today's Frontier
-
- 14 Public-Private Partnership Spurs Return
of Middle-Income Families in Columbus
-
- 16 Akron's Housing Rehabilitation Program
-
- 18 A 'Clean Sweep' in Chicago Public Housing Project
-
- 20 The 'Rebirth' of Lincoln Heights
-
- 22 Creative Living
-
- 23 Small Community Redevelopment
-
- 24 Urban Revitalization through Historic Preservation
-



Page 6: Wide use of General Purpose Discretionary Grants throughout rural Wisconsin has brought about a broad range of new services, facilities and improved housing conditions in less urbanized areas of the State.



Page 22: Region V claims one of the most innovative experiments in barrier-free living for the physically impaired who are severely disabled. Creative Living, a Section 236 project in Columbus, Ohio, has received national attention for its pioneering role.



Page 24: Historic preservation in Grand Rapids (Mich.) has gained wide recognition stemming from the nationally recognized quality of the Heritage Hill project and its catalytic effect on overall housing opportunity efforts in the City.

Departments: Looking Ahead

International Affairs 13

Lines & Numbers 29

Cover: A Region V landmark—the Renaissance Center—dominating the downtown Detroit Skyline (viewed from Windsor, Ontario, across the Detroit River).

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Minnesota's Housing Rehabilitation Conference: A Unique Training Effort

by Lynn Burton

Housing rehabilitation programs are a booming business in the HUD Area Office in Minnesota. Rehab programs are also mushrooming throughout the State. The amount of funding for housing rehab in Minnesota has more than quadrupled in the last 3 years, and the number of cities participating in the operation of rehab programs has increased more than eightfold.

In addition to concern for energy conservation, the increase in volume and interest in housing rehabilitation can be tied directly to several causes: 1) HUD's Community Development Block Grant Program and innovative efforts by the State of Minnesota to provide rehab loans and grants through its Housing Finance Agency; 2) willingness by lending institutions to participate in mortgage underwriting in inner city areas; and 3) use of experimental programs such as HUD's Urban Homestead Demonstration program and National Housing Services, through the National Urban Reinvestment Task Force.

Since new communities are entering the rehabilitation field in increasing numbers, the depth of expertise available to carry out successful programs is a growing concern to Federal and State officials alike.

In part to recognize the importance of this growing area of the housing field and in part to transmit specific skills from more experienced communities to those communities

participating for the first time in housing-rehabilitation programs, a 2-day joint training conference was sponsored last September by the HUD Area Office, Minnesota State Planning Agency, and the Minnesota Chapter of The National Association of Housing and Redevelopment Officials.

Housing rehabilitation conferences in and of themselves are not unique to Minnesota or any other State. However, a training conference such as that sponsored by this consortium of public agencies is perhaps the first of its kind.

Highlights of Conference

The first day of the conference highlighted the planning efforts by the State of Minnesota to implement overall housing assistance needs, efforts by the Minnesota Legislature to continue its innovative efforts in rehabilitation loans and grants, merging trends in Federal legislation, including proposed changes to Community Development Block Grant programs, and the HUD Section 312 Rehabilitation Program.

A panel of experts reviewed current efforts in multi-unit rehab being conducted throughout the State of Minnesota by a variety of private development interests and public sector agencies. Robert Groberg, Director of Rehabilitation for Community Planning and Development in HUD's Central Office, provided very useful legislative insights into new HUD national legislation.

Donald S. Silvey, the highly successful Director of Rehabilitation for the Portland, Oregon Redevelopment Commission, shared with Minnesotans the efforts that Portland is undertaking with multi-unit rehab and commercial rehabilitation, using a combination of Community Development Block Grant funds and a co-insurance program with 312 rehab loan funds.

As keynote speaker, State Senator Frank Knoll explained the efforts of his legislative committee to design housing and energy legislation in response to real needs of the communities in Minnesota.

Representatives from Minnesota's lending institutions, private development sector, and a variety of non-profit public agencies exchanged information and shared financing and subsidy techniques, success stories, and future challenges.

The second day of the conference offered technical training and assistance to the more than 30 new communities participating in housing rehab efforts primarily through the Community Development Block Grant Discretionary Program and the Minnesota Housing Finance Agency's loan and grant program. Over a dozen resource people were available to answer specific questions of participants in areas ranging from crime control in housing, accessibility standards for the handicapped, Section 8 substantial rehab, and loan servicing programs.

Perhaps the most innovative portion of this conference was the afternoon training session for small communities. This was designed and carried out by several small teams of instructors drawn from the ranks of practicing rehab technicians within the State of Minnesota.

These instructors designed a training aid format based upon their practical experience covering the entire process of housing rehabilitation—overall housing planning efforts and rehab standards for inspections, work write-ups, bids, client consulting, and quality control.

Over 200 participants from throughout the State of Minnesota attended the conference, representing a diverse range of participants in housing rehabilitation: nonprofit community organizations, lenders, developers, and Federal, State and local officials. There was opportunity for all participants to meet one another, to share ideas and to plan for any changes needed in various program requirements, thus rendering the rehab process even more effective. □

Ms. Burton is Chief of Program Support, Community Planning and Development Division, Minneapolis-St. Paul Area Office, HUD.

Goals Management in Region V:

Keeping Moby Dick in His Place

by Margaret Kehoe

Managing HUD programs in Region V is a lot like running a whaling boat. The Board of Directors sends you out from Nantucket to bring back whale meat. Setting out full of purpose, you meet Moby Dick and spend the rest of the voyage battling the White Whale.

Even if a captain manages to avoid Moby Dick, he finds he's spending his time quelling mutinies, maintaining the ship and equipment, facing storms, wind and icebergs, and battling pirates. Limping back into port a year later, he is accountable only for the whale meat he carries.

Like any production-oriented management system, goals management doesn't deal with special problems and non-quantifiable tasks. It looks at limited, specific outputs and doesn't describe the total product. But recognizing the limitations is part of learning when and how to use goals management. The last 4 years have taught managers in the Chicago Region that when the Goals Management System (GMS) is used in addition to other management evaluation systems, it can simplify life for both management and staff, provide a discipline that turns fog into something meaningful, and can curb crisis management. It forces the Captain Ahab's who would rather chase Moby Dick fulltime to account for their quota of whale meat.

Evolution of Goals Management in the Region

Management-by-objectives concepts were introduced in the Chicago Region in 1973 in the form of a Regional Work Program. The work program was priority listing of goals statements submitted by the program Assistant Regional Administrators (ARA). There was little input from the field, no goals were quantified, and no formal evaluation was planned. Due to major shifts in departmental priorities, the work program was shelved. But it was the first step: it forced Assistant Regional Administrators to identify priorities and to think about ways to meet these priorities.

The Region was still interested in developing a management system, and in January 1974 the Regional Administrator convened a 2-day retreat for all ARA's and field office directors. A consultant explained the philosophy and methods of MBO. By March, the Region had developed goals for 1974 which included:

- the Regional Administrator's overall priorities ("They must be accomplished.")
- each ARA's program goals broken down by field office; and,
- each field office's goals broken down by program area.

But the format was cumbersome and the attempt at quantification too general.

In June 1974, ARA's and field office directors met in Columbus, Ohio to discuss the final status of the Goals Management System for FY 1974 and begin developing the FY 1975 Regional goals. From this meeting came a statement of "rules" known as the Columbus Agreement. The agreement listed needs that would have to be met at each level of the organization to make the Goals Management System work effectively. The Columbus Agreement was a significant step in the evolution of a management system in Region V.

At the end of 1975, a report on goal achievement was developed. Unfortunately, evaluation/assessment wasn't emphasized until the end of the year. Many field offices achieved their goals by year-end scrambling. Only the people who pushed the paper really knew and understood the system. But significant progress had been made, and in 1976 the Region was in a position to state precise, quantified goals. The Region was ready for the Departmental Management Initiatives of 1975 which linked staffing and funding to goals.

From 1975 to 1977, the Department as a whole improved the ability to define goals and increased the accuracy of work-measurement standards. When the annual operating plan became accepted as the principal statement of the Region's work and resources, monthly and quarterly

reports on goal achievement became the key statistical indicator of Regional productivity.

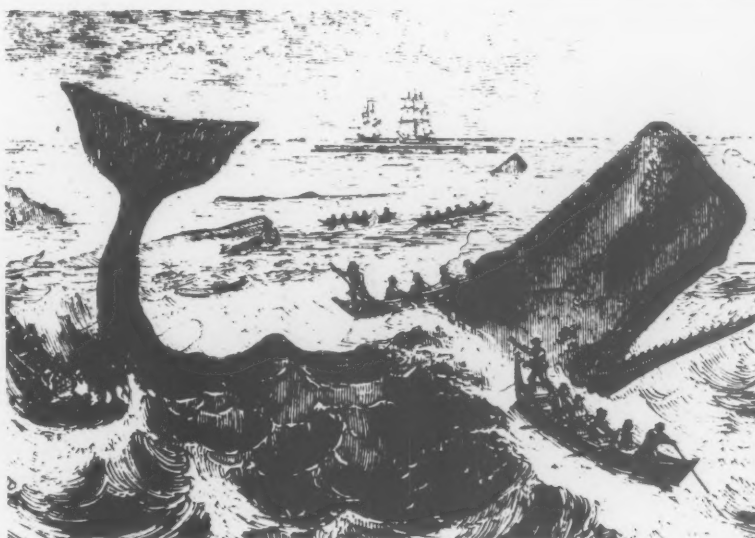
Then and Now

The change in the Region's ability to account for itself is dramatic. Four or five years ago there was no work measurement; there were few time frames; the only quantitative goal was to spend money by the end of June. Many managers found that all their time was consumed in resolving conflicts. The Goals Management System introduced a quantitative discipline—it reminded Captain Ahab that his job is to get whale meat, not to chase Moby Dick. When a captain can't avoid Moby Dick, he can at least tell Nantucket the exact cost in whale meat.

All levels of management enjoy the benefits of this discipline. The Department as a whole is forced to say what will and won't be done—we are not governed by chance to the extent we were. Patterns emerge. We have increased our knowledge of Regional idiosyncrasies; we know which programs are likely to work in particular areas. Top-level managers are forced to make judgments about the environment, to decide how much they can or can't control. As mechanics and problems are highlighted, mid-level managers are forced into the details of programs. There is more emphasis on recordkeeping, and a greater ability to plan the work for the year as we discover the heaviest periods in particular programs for specific field offices.

Benefits

Managers can cite concrete benefits in every program area. In Housing Development, for example, field offices using monthly milestones were able to forecast the amount of budget authority needed to accomplish Section 8 goals and reported a deficit early enough for Washington to do something about it. In Community Planning and Development, analysis showed the heavy use of staff time on discretionary versus entitlement application review and focused na-



"... Ahab had purposely sailed upon the present voyage with the one only and all-engrossing object of hunting the White Whale. Had any one of his old acquaintances on shore but half dreamed of what was lurking in him then, how soon would their aghast and righteous souls have wrenched

the ship from such a fiendish man! They were bent on profitable cruises, the profit to be counted down in dollars from the mint. He was intent on an audacious, immitigable, and supernatural revenge."

from Moby Dick by Herman Melville

tional attention on the need to find a way to cut down on small grants. Fair Housing and Equal Opportunity managers are conscious of the interface of Fair Housing and Equal Opportunity goals with broader HUD goals. They look at the beneficiaries of HUD spending to determine the impact of HUD programs on low-income and minority people. In some cases, Fair Housing and Equal Opportunity staff can anticipate workload on the basis of activity in other program areas. For example, where there is a high level of citizen involvement in planning, developing and implementing programs, there will probably be a large number of citizen complaints.

The Future

While remaining aware of the danger of becoming too production-oriented, the Region is interested in extending

the use of individual goals systems to other program areas. The Assessment/Placement Profile (APPS) could be tied to individual goals systems so that both supervisors and subordinates know the standards for performance ratings. We would expect control over individual performance to increase dramatically, and since individuals are ultimately responsible for goal achievement, we could look forward to improved production Region-wide. □

Ms. Kehoe is a Program Analyst in the Chicago Regional Office.

Information on the history of management by objectives in Region V is based on a paper by Dianne Semington titled, Evolution of MBO in the Department of Housing and Urban Development (from a Regional Perspective).

Rural Wisconsin Counts

by Tom McNeely

When discussing the Community Development Block Grant Program in Region V, most attention is given to programs funded in large cities under the Entitlement provisions of Title I.

While Wisconsin has 19 Entitlement and Hold-Harmless cities, another 81 communities are participating in the Community Development Program funded with General Purpose Discretionary Grants. These grantees are principally from the rural areas of the State and have not previously received a HUD grant.

The populations of grantees vary from 130 to over 40,000, and every type of political subdivision—Indian tribe, town, village, city, and county—is represented. Several types of assistance have been approved, including housing rehabilitation loans and grants, water and sewer facilities, neighborhood and senior centers, fire-protection and land-fill equipment, and park acquisition and development.

In the first 3 years of the pro-

gram, over \$19 million will be approved in individual grant amounts ranging from \$25,000 to \$500,000. In every way, the Discretionary Program is a study in diversity, meeting a broad range of community development needs in the less urbanized areas of the State.

On July 16, 1974, a portion of a freight train derailed in a rural residential area in the town of East Troy. A tank car which contained approximately 21,000 gallons of carbolic acid began to leak, resulting in contamination of upper groundwater supplies. The surrounding homes relied on individual wells for water, and tests of these wells found high levels of a toxic substance, phenol, resulting from the spill. Water from the individual wells was unsafe to use for all purposes—drinking, cooking, bathing, and washing clothes and also had an unpleasant odor. Residents were forced to use bottled water for all household purposes.

With Community Development funds, the town drilled a deep well and installed a community water system to provide safe water to approximately 20 households whose wells were contaminated. In addition, a program was established to replace

plumbing lines and fixtures which were damaged by the contaminated water. Efforts were also begun to prevent the contaminated water from affecting individual wells in the surrounding areas.

The City of Montreal

The City of Montreal, in northernmost Wisconsin, had a less pressing but long-standing problem with its water system. This community of over 800 was for the first half of the century an ore-mining center. In the mid-1920's, a mining company installed a water system for its workers and their families. When the company closed operations in Montreal in 1962, it deeded to the community this water system consisting of a dug well and a drilled well, two wooden-stave storage reservoirs, and a distribution system of one- through eight-inch water mains.

The quality of water from the wells was poor due to high iron levels, an extreme yellow color, and odors. The interiors of the water mains were encrusted with mineral deposits, causing even poorer quality water to be delivered to residents than was pumped from the wells. Not only was the water aesthetically



LEFT—In the town of East Troy water samples are taken periodically to determine the extent of contamination. RIGHT—Work proceeds on home being rehabilitated under Platteville's Rehabilitation Loan and Grant Program.

unpleasant, but the system had deteriorated to such an extent that it had a high potential for bacteriological contamination.

Most residents brought water in bottles from nearby springs for drinking and cooking, a practice which also poses a danger of contamination. The City recognized that a complete new water system was needed. In 1970, it received a preliminary plan for the new system, and by 1974 was prepared to accept bids for construction of the system.

The remaining hurdle was financing the project. While a combination of Farmers Home Administration Loans and local bonding has been developed, the user fees for the water utility were considered high, particularly for the one-third of the population which was retired and living on fixed incomes, and the unemployed. The City requested and received a Community Development Grant for \$424,000, approximately two-thirds of the cost. These grant funds, with a FmHA loan for the remaining cost, yielded a cost of about \$5 per month for water service, less than half of the service charge proposed without the grant.

Montreal completed its water system last fall, and this year it provided an unexpected benefit. The area surrounding Montreal was extremely hard hit by drought conditions early this year. Water from the Montreal system was hauled by tank truck to surrounding communities and farms where shallow wells had dried up.

Platteville

The City of Platteville, a community of about 10,000, had not participated in HUD programs prior to 1975. Like the communities above, Platteville needed improvements to its water supply. The City water reservoir had developed numerous cracks, and water samples periodically showed bacteriological contamination. A decision was made to prepare a pre-application for funds to construct a new water-storage tank.

The City, however, identified

other Community Development needs, including the improvement of existing housing and demolition of blighting vacant commercial structures. Platteville has received three Discretionary Grants, one in each of the fiscal years since the Block Grant Program was initiated. The first grant included funds for the water tank, as well as housing rehabilitation loans and grants for low- and moderate-income persons. Rehabilitation of approximately 20 owner-occupied homes has been completed, and work is under way on a like number. In addition, the City has provided grants to owners of rental apartments over downtown stores. The owners converted efficiency units with shared bath to one-bedroom private bath units. The owners paid all costs in excess of a \$4,000 per-unit grant and agreed for 5 years to set rents no higher than the Section 8 Existing Housing ceiling rents.

Fifteen one-bedroom apartments rehabilitated under this program are now occupied by Section 8-eligible tenants. On three sites of blighting commercial facilities to be acquired and cleared with Community Development funds, the City proposes to sell lots for the development of Farmers Home 502 housing. The areas adjacent to these sites are targeted for housing rehabilitation loans and grants, and replacement of sewers and curb and gutter to upgrade these neighborhoods. Beginning with the need for a new water storage tank, Platteville has undertaken a broad program for preserving its housing stock and upgrading its residential neighborhoods.

Ashland

At the far northern edge of Wisconsin, on the shores of Lake Superior, is the City of Ashland, which has also received three Discretionary Grants. Ashland, a community with a population of about 10,000, had prepared an application for the Neighborhood Development Program in 1973 so that it had significant data ready for a Community Development Block Grant pre-

application in 1975. In each of the three years, Ashland has identified a High Impact Area of concentration of low- and moderate-income persons, and substandard housing. The City's approach has been to undertake a comprehensive program to upgrade its oldest neighborhoods by providing housing rehabilitation loans and grants to low-income persons. Several structures, street and sewer improvements, and park development activities. The local program staff has its own housing inspector, who reviews properties in the High Impact Area. Approximately 45 homes have been rehabilitated through loans and grants to low income persons. Several rental property owners, not qualifying for assistance, have undertaken repairs as a result of the inspections. The City paved 24 blocks in the area which had never before had an all-weather hard surface. Several demolitions have also been completed in the case of vacant, blighting buildings. Rehabilitation efforts are currently focused in the second-year impact area and are scheduled to begin in the third-year area soon. A key point of the program, however, is the identification of small areas where resources are focused to effect an improvement in the total living environment.

Community Development funds have met a wide range of needs in the smaller communities of the State. Senior-citizen centers and neighborhood facilities have been constructed in rural communities and on Indian reservations providing a location for health services and recreational activities.

Other cities are providing public improvements such as street lighting, sidewalks and sewers in areas where low-income residents could not afford assessments. While the needs have been diverse, the Community Development Block Grant Program has been a flexible tool, providing assistance to improve the quality of life in the State of Wisconsin. □

Mr. McNeely is Program Manager in the Milwaukee Area Office.

Urban Homesteading: Today's Frontier

by Helen Macke

Abandoned housing is a disgrace to our cities, a danger to our children, and a blight on neighborhoods!

Several years ago in Cincinnati a small retarded girl was found dead in an abandoned building not far from her home. She evidently wandered in and was too frightened to find her way out again. This is a shocking story. Such tragedies occur when something ought to be done about them.

But many of our urban neighborhoods contain homes which are structurally sound, but for reasons having very little to do with the quality of the unit, are now abandoned, deteriorating and often vandalized. What is worse, the deterioration of these abandoned units may trigger further abandonment and accelerate the spiral of neighborhood decline.

A telling comment on abandoned properties was made by William G. Conway in the *Saturday Review*, July 20, 1977, entitled "'People Fire' in the Ghetto Ashes":

By definition, there is no market for abandoned property. It is unwanted by society's mobile elements. To others, the vacated space is useful, rent free. These others are the bums, junkies, and arsonists whose concentrated pathological presence the abandoned hulks attract. They and their refuges are what HUD Assistant Secretary Monsignor Geno Baroni calls "the greatest domestic issue since the Depression."

The experience of cities which have been successful in preserving urban neighborhoods shows that housing and structural rehabilitation, combined with community services, produces more stable neighborhoods. This generally necessitates joint public and private investment in existing housing and the community.

Section 810 of the Housing and



Fred Dean, Development Project Assistant for the Columbus, Ohio urban homesteading program, conducts one of the City's successful home lotteries assisted by the Reverend Colby Grimes, pastor of St. John's Parish and a member of the homestead validation committee.

Community Development Act of 1974 authorized \$5 million to cover the costs of delivering HUD-acquired properties to communities with HUD-approved Urban Homesteading Programs.

HUD transfers the homes to the city and the housing is rehabilitated in the target areas and transferred conditionally to an individual or family, giving special consideration to the homesteader's need for housing and his or her ability to undertake the necessary repairs and improvements. The homesteader must agree to occupy the property for not less than 3 years, make the needed repairs for health and safety prior to occupancy, and meet local standards for decent, safe and sanitary housing within 18 months, permitting inspections at reasonable times. If all of these conditions are met, the homesteader is given title to the property.

The Cincinnati Experience

Cincinnati was one of the first 61 applicants selected to participate in this program, which is designed to help revitalize the city by making the best use of HUD-held properties to preserve declining neighborhoods.

How is Cincinnati different? The city's program is unique because it has the total support of the private sector. The savings and loan institutions have told the city they will assume any bankable loans to people that are accepted by the city. Cincinnati's urban homesteading program could fill houses with hopes—it has the dreams but not the domiciles. Due to the city's extremely stable economy, it doesn't have the number of HUD-repossessed properties that other cities do.

One homesteader who found that it pays to be persistent is Mike Nowell, 28, manager of a small,



LEFT—Mike Nowell sands and paints his front door at 6416 Erie Avenue, Madisonville, Cincinnati.

ABOVE—Nowell climbs ladder to reach porch overhang.

family-owned cab company. Mike and his wife, Marcia, never expected to win a lottery, but just wouldn't quit trying! Because of his experience as a former manual-training teacher, Mike was well versed in construction technology and able to accomplish the bulk of the rehabilitation with his own resources and personal labor.

Remarkably, Mike has not borrowed one dollar for his project. Between his savings, out-of-pocket

expenditures and his ability to ferret out unbelievable bargains in fixtures and materials, he can claim the distinction of being the only local homesteader in the program without a house payment. The Nowells have already moved in, and continue to put in long hours necessary to complete the rehabilitation of their home at 6416 Erie Avenue, Madisonville.

According to Melvin Dutton, Director of the City of Cincinnati's

urban homesteading program, the city has an extensive screening process of all applicants that aims at zero percent failure. "We are bringing houses back into first-class shape that haven't been that way in 20 years," Dutton said. "Such houses have a seeding effect: when one old house is brought back that way, you can bet the neighbors will be more inclined to put money into their houses. Let's face it, the future is in improving our current housing stock. Young people, and all middle-income people can't afford new houses anymore."

If homesteading can be shown to work, the city, Federal Government, and private lenders might be willing to expand it to fight urban decay. Charles Collins, II, Director of the Cincinnati HUD Office said, "The success of the urban homesteading program is a fine example that the spirit of pioneering and personal initiative is not dead in America. We are still a people who can, through our own hands, if given the opportunity, improve circumstances.

"The myth of the 'soft American' who has lost the ability to work with his hands has been laid to rest through the efforts of these young people. Experience has shown that the more 'sweat' we put into something, the greater appreciation we have for it. Some of us have built 'soap boxes' in our Boy Scout days



This HUD-acquired property in Columbus has become part of the City's Homestead Program.



(l.-r.)—George Johnson, Homesteader; Stan C. Nykiel, HUD Urban Homestead Coordinator; Tom Marshall, City of Chicago Homestead Coordinator

to race in the derby which we wouldn't have traded for the shiniest bicycle in the store because we had made it with our own hands. Successful homeownership requires a sense of belonging and personal pride which result in families having a vested interest in where they live and what they live in. If we have expended time and energy in something, we are not likely to destroy it—we will work to maintain it—because we are proud of it."

The Minneapolis Experience

Minneapolis instituted its own local homestead program late in 1974. In March of 1976, the first homesteaders were selected. Currently, there are some 90 homesteaders who are undertaking this rehabilitation

project. Reaction from the city in general and the communities in which the properties are located has been very positive. In March of 1976, 17 homesteaders met for the first time to form a homestead association. They now have 61 members and a publication that offers advice on rehabilitation to others.

In Minneapolis the average homesteader is 30 years old, has 2.3 persons in the family, and an annual income of \$12,595. The average financial assistance required for rehabilitation is \$16,100 and loans are available through the Federal Section 312 program, as well as through the local loan program.

A happy homesteader named Mike Mahaffey observed, "I'm not an electrician or a plumber; I'm a homesteader." A real do-it-yourselfer, Mike "read some books, talked to some friends," and proceeded to rewire his house and garage, do his own kitchen plumbing, side the garage and re-roof his house. Finally, Mike sees an end in sight to his homestead project at 624 Oliver Avenue, North.

The Columbus Experience

Since the Urban Homestead program's inception in Columbus two years ago, 88 area families have found homes located within the boundaries of the eight Community Development Act program areas. Of these 88 families, 61 have submitted

plans to the Columbus Development Department for the rehabilitation of their structures, obtained financial assistance and taken title to the properties. Homesteaders have completed required repairs and eliminated housing-code violations to the extent that 48 families have been able to occupy their houses. The rehabilitation and occupancy of these structures have had a substantially positive economic impact on the program area.

With the help of Federal grants totaling over \$314,000, Columbus has acquired properties whose 1975 county appraised value exceeded \$1.2 million. If it were not for the homesteading program, many of these dwellings would have remained vacant for years and would have been subject to vandalism and infestation. Their effect on the community both economically and socially would have been negative. But with Federal grants to keep the program operational and private funds for rehabilitation, the concept of urban homesteading has turned a potentially negative situation to a very positive one both for the individual communities involved and the city at large.

Ten area banks and savings and loan institutions have indicated their approval of the homestead program by investing \$500,000 of private funds into the regeneration of neighborhoods through rehabilitation of existing housing stock. This private investment for rehabilitation liberates Federal 312 loan money allocated to the Urban Homestead program so it can be used to upgrade homes surrounding the homestead acquisitions and thus allows for a greater impact on the community.

The future is bright for homesteading in Columbus. In August of this year the program awarded an additional \$150,000 for property acquisition. This enabled the city to purchase 15 to 17 properties for a Phase VII lottery. With these new houses added to the program, the Columbus Urban Homestead program should go over the 100-house mark by the end of the year.

The Indianapolis Experience

The success of the Indianapolis Urban Homesteading Program is a visible expression of commitment on the part of Indianapolis and its citizens to neighborhood preservation and revitalization of the inner city. Families and individuals participating in the program are taking an active part in the reemerging trend to live in the central city—a trend that puts them closer to their employment and the increasingly attractive activities offered in the downtown area.

The City of Indianapolis has conducted three phases of the Urban Homesteading Program. It is one of the most successful in the country. Approximately 30 homes were awarded in each drawing, for a total of 98.

Gary Anderson, a winner in the first homestead drawing, stated that the program gave him an opportunity to own a home and at the same time eased financial pressures. Anderson, 29, was lucky to be awarded a home which required only minimal repair. Other than replacement of broken windows, exterior and interior painting, and general cleaning, very little work needed to be done to make the two-bedroom home quite liveable. He moved into the home in March 1976, and currently shares it with a friend who is a student in Indianapolis.

Stephen and Carrie Heathcock found that the Urban Homesteading program had a "monumental effect" on their life. They are a young couple with no children. He is employed with a large bank in Indianapolis. According to the Heathcocks, the program gave a tremendous boost to their marriage. Winning a home took financial pressure off Mrs. Heathcock as a career woman. The couple is now thinking about starting a family.

Unlike Anderson, the Heathcocks found the required work on the house "very hard and tiring." The home's interior walls and ceilings needed major repairs, the roof and window frames needed to be replaced and some electrical work done. This

was in addition to routine cleaning and painting. The Heathcocks chose to have aluminum siding installed rather than scrape and paint the exterior of the home.

Although the Heathcocks did not find the work particularly enjoyable, they are very enthusiastic about the Urban Homesteading Program, their home and their neighborhood. Mrs. Heathcock remarked about their experience, "Fantastic. It gave me a concept of neighborhood."

The City's Department of Metropolitan Development, Division of Urban Renewal provides the funding for administration of the Urban Homesteading program in Indianapolis. This HUD-approved counseling agency also offers a counseling service for the homesteaders. Each is assigned a counselor who works with him from the time the property is awarded until the three-year occupancy requirement is fulfilled. The counselor is charged with the responsibility of monitoring the homesteading activities to insure that all requirements of the program are met. In addition, the homesteaders participate in a comprehensive homeownership counseling program. This program provides preoccupancy counseling, information on home maintenance responsibilities and available rehabilitation programs, and information about tax and insurance requirements and procedures. This is a particularly valuable service for those participants who have never owned a home before.

The Division of Urban Renewal also sponsors a Home Maintenance Laboratory for homesteaders, giving basic instruction for approaching repairs in the areas of plumbing, carpentry, and electricity.

The Urban Homesteading Program which held so much promise just 2 years ago seems to have lived up to that promise.

The Chicago Experience

On October 9, 1975, it was announced that Chicago was one of the original 22 cities selected to participate in the Urban Homestead-

ing Demonstration Program. With its allocation of \$259,102 in Section 810 funds, Chicago was able to obtain 44 HUD-owned properties for homesteading, located in the two designated Urban Homesteading areas—Austin, a community on the city's west side, and Roseland on the south side. Some \$500,000 in Section 312 loan funds was also provided by HUD to be used in connection with urban homesteading.

Applications were mailed to 2,025 interested families from all parts of the city, and 766 applications were completed and returned. After careful review, 207 families were found qualified to be urban homesteaders in accordance with the established criteria.

A lottery was held on March 9, 1976, at which time all 207 families' names were drawn, and families selected homestead properties on the basis of their lottery position.

For almost 4 years prior to becoming one of Chicago's 44 homesteading families, George and Marilyn Johnson and their three daughters had been dreaming and looking for a home to buy.

They were greatly disappointed when a foreclosed house that suited their needs could not be obtained. It was at this time that they heard of the HUD-Chicago sponsored Urban Homestead Demonstration Program, through which a qualified family could obtain a home for one dollar. With some skepticism, they applied and cooperated with the Department of Urban Renewal in supplying the additional credit and income information necessary to complete their application. Later, there was a visit to their apartment by a representative from that Department to verify their housing need.

Surprise and elation replaced their earlier skepticism when they learned their name was number "two" in the lottery draw.

The Johnsons found their "dream" house to be a townhouse located in a quiet section of the Roseland Demonstration Area—three bedrooms and a combination kitchen/dining area over-

looking a large back yard.

They took title March 31, 1976, and moved 3 weeks later. Mr. Johnson installed new doors and locks throughout. Mrs. Johnson did clean-up work while being a mother to her three daughters and also working toward a degree in business administration at Chicago State University. Mrs. Johnson has since received her degree and is working for the Northern Trust Bank.

All of the work necessary to satisfy their homestead purchase agreement was completed at a cost of \$8,654. Most of this was done by Mr. Johnson, except for the plumbing, carpeting and roofing work handled by professionals.

He has made additional improvements, including installing a new patio and a "kids' " garden in the back yard.

Mr. and Mrs. Johnson are grateful for the homestead program and hope it will continue to provide opportunity for other families like themselves to own a home.

All of the 44 homesteading families are now occupying their properties, and all have either completed or are well along toward completing the necessary rehabilitation work within the required 18-month time limit.

Approximately \$330,000 in Section 312 loan funds was used to provide necessary financial assistance to 19 of the 44 homesteaders. Twenty other homesteaders received financial assistance through the City of Chicago Financial Assistance to Property Owners Program. Five homesteaders did not require financial assistance.

In recognition of this first-year success, HUD authorized an additional \$400,000 in Section 810 money for Chicago to continue homesteading into a second year and an additional \$500,000 in Section 312 loan funds to support Urban Homesteading.

With the increased allocation funds available, Chicago anticipates being able to homestead approximately 100 properties in 1977, which are selected

in cooperation with the Chicago Area Office of HUD. To make the most of this opportunity, Chicago expanded the Austin and Roseland Urban Homesteading areas, and will extend the program to three additional areas of the city: Morgan Park, South Shore, and West Englewood.

The Rockford, Illinois Experience

In an effort to utilize abandoned, foreclosed HUD properties, the City of Rockford introduced its homesteading program with the cooperation and assistance of HUD in the spring of 1974. HUD initially implemented the homestead program in the form of a Property Release Option Program (PROP). Homesteading in Rockford was further expanded in 1976 to include Section 810 Demonstration Homesteading participation.

Rockford's homesteading program has been highly successful. During the first year of operation, the Federal allocation was \$250,000 for homestead structures and \$200,000 for Section 312 loans. In the following year, an additional \$100,000 was awarded to homestead structures and \$500,000 for Section 312 loans, with a total of 106 homesteads approved. Eighty percent have been totally rehabilitated with \$870,000 of private financing, and 55 structures have been rehabilitated with \$431,400 of Section 312 funds.

Under the administration of Mayor Robert W. McGaw and the chairmanship of Dr. Ronald Hallstrom, the programs are governed by the five-member Rockford Homestead Board. All administrative responsibilities are delegated to the city's Department of Community Development, directed by Edward M. McCullough.

Homesteading in Rockford is administered under two separate programs. The Property Release Option Program (PROP) is designed to rehabilitate homes valued at \$5,000 or less, located anywhere within the city. The 810 Demonstration Grant Homestead Program is directed at homes located in a defined Section 810 Demonstration Grant area. Proce-

dures for eligibility, assignment, financing and improvements on both types of homesteads are nearly identical.

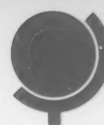
The Homestead Board has a \$1.3 million commitment from four Rockford savings and loan institutions to rehabilitate homestead properties. Various guidelines have been adopted by the Board with respect to the terms of the loans, maintenance of the property, interest rates, taxes and insurance.

Title to all homesteads is held by the Board, which enters into individual loans on each property with the lenders, and in turn lends the money to the homesteaders. The homesteader's minimum monthly payment dictates the term of each loan. During the first six months, homesteaders pay interest only on the amount of funds drawn upon. If, at the end of that period, all work has been completed and the homesteaders do not foresee the need for additional funds, they have the option of applying all unused funds to reduce the principal balance. Should they wish to retain excess funds in the Escrow Reserve Account, they may use the funds for improving the structure until the funds are depleted or the 18-month construction period terminates.

Experience proves that homesteading can be a very viable and effective method of urban renewal. Not only does it benefit the aspiring homeowners who are willing to put time and money into a home, but it is also an excellent investment for the community in its efforts to stem the tide of urban blight and decay.

The bottom line, and probably the greatest advantage of Urban Homesteading, is that people will own what they have worked so hard to improve, and like the pioneers of old, they will protect their property against all circumstances that could detract from the value and enjoyment of their homes. □

Ms. Macke is the public information officer in the Cincinnati Insuring Office.



international affairs

U.S.—USSR Agreement by Ann Weeks

The second meeting of the Joint Committee of the U.S.—USSR Agreement on Cooperation in the Field of Housing and Other Construction was held in Moscow September 19-21, 1977. The U.S. delegation was headed by HUD Secretary Patricia Roberts Harris. The Soviet delegation was headed by Ignaty T. Novikov, Deputy Chairman of the USSR Council of Ministers and Chairman of the USSR State Committee for Construction Affairs.

The Agreement was signed in Moscow in 1974 by President Richard Nixon and Chairman Aleksei Kosygin to facilitate the transmittal of information on "new and traditional building materials and techniques" by establishing six areas for joint research and document exchange. These areas include building design and construction management, industrialized building systems and utilities, building materials and components, construction in seismic areas, building for extreme climates and unusual geological conditions, and new towns.

The first meeting of the Joint Committee, held in Washington, D.C., in 1975, resulted in a set of regulations governing the operation of the Joint Committee and a Memorandum of Implementation which formally established the Working Groups and outlined the work program for the first year. The second meeting provided the Co-Chairmen, the Executive Secretaries, and the Working Group Chairmen with the opportunity to review past accomplishments, discuss present problems, and agree on future plans and projects. The Agreement stipulates that the Joint Committee meet annually, alternately in

Washington or Moscow, to review the status of technical and administrative cooperation and to agree upon the terms of cooperation for the succeeding year, and that the meeting be paid for by the host government.

During the interval between the first and second Joint Committee meetings, the six Working Groups have held a total of 29 meetings—15 in the U.S. and 14 in the USSR—each followed by a study tour for the visiting team. As a result of a steady exchange of information, the U.S. has received approximately 275 documents from the Soviet groups.

The U.S. Co-Chairmen of the Working Groups are Tom L. Peyton, Deputy Commissioner, Public Buildings Service, General Services Administration; Donna E. Shalala, Assistant Secretary for Policy Development and Research, HUD; Lawrence B. Simons, Assistant Secretary for Housing-Federal Housing Commissioner, HUD; Charles C. Thiel, Jr., Director, Advanced Environmental Research and Technology Division, National Science Foundation; Terence G. Kirkland, Chief, Research and Development Office, U.S. Army Corps of Engineers; and William J. White, General Manager, New Communities Development Corporation, HUD. The Executive Secretary for the U.S. members of the Joint Committee is Tila Maria de Hancock, Assistant to the Secretary for International Affairs. Following the meeting, the U.S. delegation participated in a study tour of Tashkent, Samarkand, Leningrad, Kiev, and Naberezhnye Chelny hosted by the Soviet government.



Gathered for the signing of the Protocol are Secretary Harris and Chairman Novikov (seated); Catherine Burton, Executive Secretary to the Secretary; Mrs. William Simons; Jack Matlock, U.S. Embassy, Moscow (behind Mrs. Simons); William White; William Hopkins, U.S. interpreter; Donna Shalala; Tila Maria deHancock; Terence Kirkland; William Simons; Allen Greenberg, U.S. Embassy; Philip Forest, Office of Housing, HUD; Andrew Weissman, Executive Assistant to the Secretary (behind Mr. Forest); Charles Thiel. For titles of Working Group chairmen, see accompanying article.

Public-Private Partnership Spurs Return of Middle-Income Families in Columbus

by Stephen R. McClary

Like most cities experiencing the migration of middle-and upper-income residents from older neighborhoods, Columbus, Ohio is attempting, with noticeable success, to attract persons of middle income back into the central city.

The phenomenon of out-migration in Columbus, while similar in many respects to that of other north-central cities, differs significantly. Unlike many large cities which have been engulfed by suburban communities, the City of Columbus has pursued annexation policies which have resulted in an increase in incorporated land area from about 50 square miles in 1950 to almost 175 square miles in 1977. Thus, a substantial portion of the population shifts have taken place within the corporate limits movements from the City's older neighborhoods to its newer suburban developments.

Return to Cities

The return of middle-income families to the City's older neighborhoods has its roots in the early 1960's with two parallel developments: the beginning of a massive public urban renewal program and the start of private historic area preservation efforts.

The City's first urban renewal effort, Goodale, was launched in 1963 and provided dwellings for over 1000 middle-income families in high-rise and townhouse units. The Market-



Mohawk Project, which began the following year, resulted in extensive commercial redevelopment complemented by luxurious low-rise apartments within the Central Business District.

Private historic preservation efforts have also encouraged the return of middle-income families to Columbus' older neighborhoods. Four areas—German Village, Victorian Village, Italian Village and Old Towne East—border the Downtown area.

The oldest of these historic districts is German Village. During the 1950's, the area was extensively blighted with substantial housing deterioration. In 1960, the City of Columbus created the German Village Commission with limited duties to study the area's problems and determine activities necessary to restore the once prosperous neighborhood. In 1963 the Commission was empowered to review and approve all proposed additions, alterations or new construction prior to the issuance of a building permit.

During subsequent years, German Village developed into a model his-



toric district with narrow brick streets and sidewalks, tree-lined streets and gardens, intricate iron-work on gates and fences, and carefully renovated single- and two-family homes which provide scenes reminiscent of the German villages from which the original occupants emigrated during the late 1800's.

The same cycle of preservation is seen in the other, more recent, historic areas of Columbus. While pri-

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1. Townhouse apartments in Columbus' first renewal area
2. Brick sidewalks, ironwork, ornamental lighting and well-maintained gardens typify German Village.
3. German Village—private restoration of a blighted neighborhood
4. An elegant turn-of-the-century home in Victorian Village

4



vate initiatives remain the key ingredient, public resources have played a more integral role in fostering the rebirth of these previously blighted areas.

In Victorian Village, code enforcement, rehabilitation loans and grants, and public improvements furnished through the Dennison Avenue Conservation Program—gave impetus to the near north side neighborhood's return to its turn-of-the-century character of

stately Victorian mansions. Similar assistance is continuing through improvements to the physical environment, such as tree planting, park improvements and street lighting, initiated under the City's Community Development Program. Rehabilitation grants and low-interest loans have also been made available to the lower-income residents to minimize displacement as middle-income families purchase units for restoration.

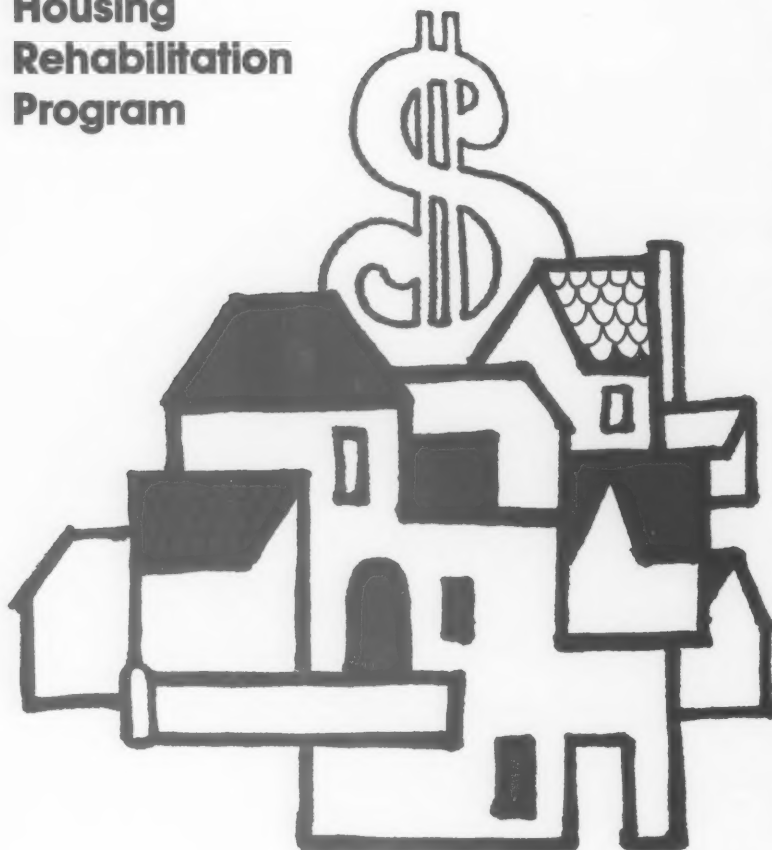
Private Initiatives

Italian Village, located directly east of Victorian Village, is a comparatively more recent historic restoration area where private momentum has been propelled by public action. Public support has included the creation of the Italian Village Commission, patterned after preceding commissions in German and Victorian Villages, and continuing support through the Community Development Program. As in Victorian Village, Community Development funds are being utilized for rehabilitation loans and grants and public improvement. In addition, economic development assistance is being provided to address the area's major commercial artery and the impact of the City's Convention Center, being developed immediately south of the Village.

Old Towne East, a slowly evolving area on the City's near east side, is seeking to recapture the flavor of what was once one of Columbus' most fashionable neighborhoods. In addition to supportive rehabilitation assistance and public improvements, the Community Development Program provides a Mobile Tool Library, Paint-Up Program and neighborhood brochure to identify the attractions of the area and promote Old Towne East as a viable middle-income neighborhood. □

Mr. McClary is a Program Management Development Coordinator, Division of Community Development, Columbus, Ohio.

Akron's Housing Rehabilitation Program



"There aren't any ribbon-cutting ceremonies that get big newspaper headlines—we're simply spending \$36 million over 6 years to improve the quality of life in our urban neighborhoods," says William M. Threatt, Jr., Manager of the Rehabilitation Division for Akron's Department of Planning and Urban Development.

"We will have inspected over 5,000 homes in eight neighborhood clusters," continued Threatt, pointing to the several large maps that decorate his small downtown office. "Nearly a third of those families will receive financial support through this department to rehabilitate their homes."

Approximately 75 percent of Akron's 6-year Community Develop-

ment entitlement is programmed for housing rehabilitation.

Akron's ambitious and successful housing program, which has served as a model for many cities across the country, is based on years of development as well as some time-tested procedures which work in the field.

Initial Rehab

Akron's first attempt at rehabilitation in the early 1970s was concentrated in the 800-housing-unit Archwood area under the Federally Assisted Code Enforcement (FACE) program. It was one of the most successful rehabilitation efforts anywhere in the Nation at the time, and established a pattern for performance in Akron.

Like many other American cities,

Akron has suffered from a deteriorating housing stock. Of the City's nearly 98,000 housing units, 50,000 are over 50 years old, and it has been estimated that 80 percent of those are substandard in terms of today's needs. With Archwood substantially completed, the Planning and Urban Development Department laid out a strategy for conservation and revitalization prior to the enactment of the Community Development Block Grant Program.

Staff members systematically created a process of "Treatment Level Analysis," which categorized 210 separate geographic areas using four measurable indicators: housing condition, housing age, value, and resident income. Then four levels of possible treatment were defined:

Neighborhood Housing Conservation: Where no programmed treatment is required.

Neighborhood Housing Service: Where both inspections and technical assistance may be required.

Neighborhood Housing Improvement: Where inspections, technical assistance and some degree of financial assistance are needed.

Neighborhood Housing Rehabilitation: Where large numbers of housing units need substantial rehabilitation and some demolition is required. Technical assistance and financial support are necessary.

A procedure was then adopted for selecting the neighborhoods to be involved in the program, based on several factors including: percentage of owner-occupied units, proximity to other improvement areas, and the potential for establishing a viable neighborhood organization. Staff members saw the value of an intensive approach to rehabilitation—putting forth maximum effort in those neighborhoods where the chances of demonstrable success were high.

Mandatory Inspections

One key aspect of the Akron program from the beginning, was the concept of mandatory inspections and compliance for all housing within

a designated neighborhood. A workable process was formulated for housing rehabilitation in Akron before the Community Development Block Grant funding became available.

The first operational step is an inspection by the Housing Division of the City Department of Health. Inspectors interview residents house-by-house, reviewing the condition of the structure, utilities, sanitation and health conditions, plus overall maintenance. The inspection standard is the "Akron Environmental Health Housing Code" rather than the local building code. About 95 percent of the homes inspected thus far have had code violations of some kind.

Then, the Rehabilitation Division of the Department of Planning and Urban Development takes over through its neighborhood field office. A resident requesting assistance is assigned to a trained Rehabilitation Specialist whose job is to list the required work, write "specs," and along with the property owner, obtain bids and carry the project through contract signing, construction and final inspection.

The neighborhood field office also houses a Rehabilitation Loan and Grant Specialist who works with the homeowner to insure that the optimum financial package is tailored to the applicant's needs.

The City can provide grants, technical assistance and three kinds of loan financing. Since many of the target neighborhoods consist of homes purchased decades ago, code compliance today can cost the equivalent of the original purchase price. In these cases, the Loan and Grant Specialist investigates four basic alternatives with the resident:

Grants: Owner occupants who qualify under a revised form of the Section 115 Grant Program can receive up to \$5,000.

Section 312 Loans: The 3 percent Federal Loan Program.

Local Loan Program: An arrangement wherein a local financial institution offers private 3 percent loans. About 95 percent of all applications under this program have been

approved.

Hardship Loans: An innovative plan for people on low, fixed incomes, where the no-interest loan does not have to be repaid until the property ownership changes. These loans never exceed 90 percent of the market value of the property and are utilized only when additional funds are needed to meet the code.

Individual loan/grant combinations range in size from \$1,200 to \$14,000, and some homes can be refinanced when certain criteria are met.

Despite the thoroughness of the program and the careful attention to the needs of the homeowner, the process is remarkably efficient. According to James A. Alkire, Director of the Department of Planning and Urban Development, "The base cost of our program entails the careful maintenance and training of a highly qualified staff. You can't be efficient overnight, but with a superior staff, you can continue to improve performance all the time. Right now, an average rehab job on an Akron home will take from 10 to 12 weeks—and that's from initial inspection to completion.

"Nothing beats performance. We don't sit around pushing papers when what our neighborhoods need is positive action; we go out and get the job done."

Akron is fortunate to have the necessary authority "under one roof" in the Department of Planning and Urban Development. Smooth coordination of the Housing Rehabilitation effort is partly possible because capital planning, community planning, economic redevelopment, human resources, rehabilitation and zoning are all Planning Department jurisdictions.

Akron's City Council President, Ray Kapper, who was closely involved in the Archwood effort, said recently, "Our aggressive Housing Rehabilitation Program is the salvation of the neighborhoods it serves. Whole areas are stabilized, and interest in private improvement is spurred because area residents can

'see' the difference. We're helping people do what they'd like to do themselves, but can't, and the net effect is a real sense of pride and dignity in the improved neighborhoods."

Community Approval

City officials also note that the intensive rehabilitation program works well because it is so carefully integrated with other services. For example, target neighborhood residents are informed through public meetings, newsletters and the services of a Community Resource Specialist working out of the field offices. The field office effort is based on a vital "one-to-one" concept, providing residents with a positive, personalized interface with their city government.

The City also complements rehabilitation efforts with major capital improvement programs in the neighborhoods, providing new streets, curbing, sewers, sidewalks and a tree-planting program. In addition, human services are introduced in the neighborhoods while rehabilitation is underway.

The technical and operational aspects of Akron's housing rehabilitation work well because they are based on some fundamental goals. Mayor John S. Ballard states, "In Akron, preservation and rehabilitation of our older inner-city neighborhoods enjoys a high priority. With the cost of housing today, it is critical that cities preserve and protect their housing stock for families of modest means, for senior citizens, and newlyweds.

"We believe our rehabilitation program will add approximately 30 years to the useful life of the homes in these inner-city neighborhoods."

There may not be big ribbon-cuttings, but the package that Akron has produced is impressive—conserving viable neighborhoods before they degenerate, by making a major financial commitment in a sensitive, people-oriented housing program that works. □

—Foran & Greer, Inc.

A Clean Sweep in Chicago Public Housing Project

by Sam Lucchese

There are 750 youngsters in Chicago's Robert Taylor Homes. They are so proud of their community that they proclaim it on their T-shirts and demonstrate it in constructive activities 7 days a week. The complex has 28 high-rise buildings housing 20,000 residents, 15,000 of whom are minors.

"The Robert Taylor Target Projects Program Pride Patrol works to cut down vandalism and fighting among youths and to keep their buildings clean," says CHA Executive Director G.W. Master.

"Vandalism has been trimmed considerably since the beginning of this program," he adds. "Money spent on vandalism repairs has been reduced 37 percent since last year. One reason for the reduction is the Pride Patrol."

Master notes that the Pride Patrol idea is being considered for CHA's 50 other family housing developments, but "the success of the program depends to a large extent on resident interest—the strength of their support."

James Hurd, manager of Taylor

Homes, says there is widespread community support for the Patrol at his development. "Parents of the boys and girls of the Pride Patrol," he says, "also are involved in the program. The Patrol was organized primarily for 7- to 14-year-olds in November 1976 by Taylor's Target Projects Program staff, CHA residents and the staffs of the area's public elementary schools, Beethoven and Terrell. Their aim is to promote pride in their neighborhood."

Pride Patrol

To deal more effectively with management-resident relations, a resident-staffed management outpost was established by CHA in each of Taylor's 28 elevator buildings.

Every Pride Patrol consists of a building squad and a ground squad. The building squad is divided into elevator cadets and gallery cadets. Cadets are expected to check on the cleanliness of the elevators and galleries and pick up any debris. Older cadets monitor the passenger loads of elevators and encourage resi-

1. Pride Patrol activities are carefully discussed and organized at weekly squad meetings. Patrol T-shirts are issued to deserving members.
2. "If you love Robert Taylor, clap your hands. . ."
3. Patrol members protect and take pride in each other as well as Taylor Homes.
4. & 5. Clean ups are a regular part of the Pride Patrol routine. Patrol members pick up litter at 5100 S. State St.



dents to wait for another elevator, if necessary, to avoid overcrowding.

The ground squad is divided into lawn-area cadets, building-fencing cadets and play-area cadets. These youngsters do essentially the same work as the other cadets.

Each member gets a Pride Patrol button and, as a sign of special merit, some receive Pride Patrol T-shirts. Youngsters in the various squads have specific, assigned tasks. When those tasks are successfully completed, the youngsters receive individual stars.

At school, patrol members are part of the good conduct, office, play leaders, self improvement, teacher's

helper, honor roll and book-club squads.

Johnnie McCoy, 10, leader of a patrol squad at 5100 S. State St., explains. "We try to make our building better. We clean the playgrounds and other places including our garden every Saturday. We meet once a week and talk about what we'll do to keep the area clean. After that, we have pop and play games.

"We give some of our toys to the little kids," says Johnnie. "They help us sometimes; it gives them something good to do.

"Kids like the patrol. I think it's the best thing that's happened to this

building since I've lived here. I really believe that."

Another group at Taylor Homes has the same basic purpose—maintaining a decent community. The "Youth of 47," whose members range in age from 16 to 19, are residents of the 4947 S. Federal Building. They work to insure more orderly elevator traffic, keep grounds clean and cut down on vandalism and youthful loitering in or near the building. □

—Sam Lucchese
Assistant Director of Information,
Chicago Housing Authority



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The 'Rebirth' of Lincoln Heights

by Syd Jamieson

The City of Lincoln Heights, Ohio—a black suburban community a few miles north of Cincinnati, bordering Interstate Highway I-75—is shaking itself loose from the shackles of poverty and directing its potential resources toward a viable city of the future.

Initially its residents came to "Millcreek Valley" in the aftermath of World War I with hopes of high employment opportunities and a home of their own.

According to its early history, there were few services and public facilities, although the land had been subdivided into city lots. Drainage was poor and streets were impassable during heavy rains. The water supply was from wells or cisterns, and sanitary facilities were almost nonexistent.

Its residents felt they had been neglected, and their problems were compounded by a dire lack of building codes or zoning. It was not until the 1940's that Lincoln Heights decided to incorporate as a village and move out from the lethargy of township and county government which, its residents believed, had become indifferent to their problems.

Confronted with problem after problem in its efforts to seek an industrial tax base, the village also found itself possessing less land and the lowest per-capita tax base in the State of Ohio, despite its being located in the heart of a wealthy industrial district.

In 1972, a tragic nursing-home fire killed 10 elderly patients and brought stricter building regulations from the Ohio Legislature.

Then Mayor James Lowry received national attention when he commented before television cameras: "Even if the firemen could have gotten the patients out, we have no ambulance to take them to the hospital."



1. Deteriorated house in Lincoln Heights awaits demolition.

2. New single-family homes line newly paved streets and cul-de-sacs in the Martin Luther King Estates subdivision in Lincoln Heights. The area was once dotted with condemned and blighted structures.



Brighter Future

Today there is a different story and much evidence that Lincoln Heights (now a city) is doing something about its past history while planning for the future. Physical and social improvements are evident.

The key to this recognized progress was an initial \$6.1 million in Urban Renewal assistance from HUD, supplemented by a \$1.1 million water and sewer grant.

A new community building funded by the State of Ohio and a HUD public facility loan of \$300,000 for streets and sidewalks have aided in the revitalization of the community. Continued improvements

have been further assisted under the Community Development Block Grant Program. These include a new municipal building and fire station.

Housing

As for much needed housing, 72 units of elderly housing under FHA's Section 221(d)(3) were completed in August 1972, supplementing an existing 150 units of low-rent public housing. Another 164 units of cooperative housing helped fill the housing need while land is currently being cleared for construction of family units under the Section 8 rental housing-assistance program. Where once stood condemned and blighted structures, new single-family homes have been

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1. Elderly residents in Lincoln Heights live in these subsidized rental apartments insured under the Section 221(d)(3) Program.

2. Youngsters play in one of the new mini parks in Lincoln Heights.

3. Lincoln Heights City Manager William Korte (left) and Deputy Mayor Elbert Daniels stand in front of new municipal building.

built or are under construction along newly paved streets and cul-de-sacs.

Countering a severe lack of recreational land, three mini parks have been completed with modern playground equipment, and 200 local youths were employed last summer as part of the summer youth program.

Under a new city manager form of government, the city has strengthened its administrative capabilities and begun a model computerized fiscal management system. Effective use of Federal matching funds has made available important health and nutritional services.

Declared an impacted city by the State of Ohio, Lincoln Heights is developing a 20-acre industrial park to improve its tax base and attract industry. It has also been named an operations center for medical disaster activities—one of two such centers in Hamilton County.

A savings and loan institution, Major Federal Savings and Loan, is located in Lincoln Heights and services the city's rehabilitation loan program.

In Lincoln Heights, there still remains the past, and much work remains to be done. Yet signs of 're-birth' and a new spirit abound in the community. □

Mr. Jamieson is the public information officer in the Columbus Area Office.

Creative Living

by Syd Jamieson

Since its first occupants moved into the new and innovative one-story apartment complex in September of 1974, Creative Living in Columbus, Ohio, has received national attention in housing the severely physically disabled.

Designed primarily for paraplegics and quadriplegics, the 18-unit facility was selected in 1976 by HUD and the American Revolution Bicentennial Administration as one of the participating projects in the national Horizons on Display program. The project was financed under the FHA Section 236 Program.

It has received further national attention for its pioneering efforts in barrier-free independent living, and is reportedly the first of its kind in the Nation.

As one member of the parent non-profit organization said shortly after dedication of the building, "Creative Living is demonstrating that severely physically disabled young adults can participate in our society in a pleasant living environment which offers accessibility to the employment and academic centers of our community."

Land for the units and parking facility was leased from Battelle Memorial Institute. The 3½-acre site borders the noted Dodd Hall rehabilitation center located on the Ohio State University campus.

Initially designated a State project in 1972 by the Ohio Federation of Women's Clubs, the facility benefited from seed money for development provided by the Federation and the Columbus Foundation.

Independent Living Sought

The goal of Creative Living, Inc., is to plan and implement programs with and for persons who, because of physical disabilities, are in need of assistance. This assistance can be directed to adaptive living facilities; educational, vocational and social opportunities; and meaningful leisure-time activities. A major function is to



Imogene Prichard, resident manager of Creative Living, is an honor graduate from Ohio State University and tutors hospitalized patients undergoing rehabilitation.

seek new approaches in aiding the physically dependent, but mentally independent individual in finding suitable housing and transportation to meet specific needs.

In November 1968, a group of church, medical, and community professionals met to plan a way to improve the quality of life for the severely disabled. This meeting spawned creation of the Rehabilitation Efforts for Assisted Living Committee. A few months later, articles of incorporation were filed and Creative Living came into being.

One of its officers is Jack Dacre, a tenant of the facility serving as treasurer of the organization. Resident manager is Imogene Prichard, a graduate (summa cum laude) of Ohio State's College of Education. Ms. Prichard also is a tutor employed by the State Board of Education for

persons hospitalized and undergoing rehabilitation.

Of the 18 residents in the apartment complex, six are employed, 11 are pursuing a formal education at college level, and one is studying in order to become a professional painter. The average age of residents is 25.

To meet operating costs for the facility, Dacre said, 60 percent of the funding is derived from rental income and 40 percent from outside contributions. Those in job training receive half of their salary until they are ready for full employment. Most of their living expenses (excluding medicine and clothing) are covered by the State Bureau of Vocational Rehabilitation. □

Syd Jamieson is Public Information Officer, Columbus Area Office.

Small Community Redevelopment

by Syd Jamieson

For more than a decade Region V has witnessed a determined effort by small communities within its six-State jurisdiction to upgrade their housing and neighborhoods. These activities have been complemented in many instances by complete renovation and rebuilding of severely blighted and deteriorating downtown commercial areas.

Success has been realized with little fanfare, but the benefits are well known at the local level, restoring a sound economic base to municipalities and in providing new and rehabilitated housing for low- and moderate-income families. Such housing has accommodated the elderly and the handicapped, while also providing needed open space, community centers and other neighborhood facilities.

Public efforts have spurred further development by the private sector and restored pride.

All this did not come easily. Like the big cities, small communities wrestled with problems of displacement, financing at the local level—and controversy. Like the big cities, they sought solutions on how to cope with ever-creeping decay, proliferation of outlying shopping centers and residential development, and a rapid dwindling of municipal tax base. Their stories are typical of successful blending of local, State and Federal monies which, in turn, have prompted private reinvestment and support of the citizens who live and work in the communities.

Crestline

The City of Crestline, Ohio (population 5,947), with a yearly municipal budget of around \$500,000, has received more than \$7 million in Urban Renewal and Community Development Block Grants since its initial planning was approved in 1970.



Rear entrances to shops in Berea Commons retail center

Under the former categorical Urban Renewal program, the 48-acre downtown project—involving major clearance—has undergone drastic changes since the first building was acquired 5 years ago.

Some 49 businesses, 58 families and 38 individuals have been relocated from the project area. Many of the local commercial establishments whose buildings were initially acquired, have relocated in the project area with new and better facilities. Aside from revitalizing the blighted business district, the City has also provided new and needed housing for families and the elderly under FHA's rent supplement and subsidized housing programs.

Where less than 10 years ago the assessed valuation of the project was \$563,000, today more than \$3 million in new construction is underway or completed; and Crestline has already doubled its tax base with but one-third of the area completed.

In Southeastern Ohio, the City of Ironton (population 15,000) was cited recently by the Columbus HUD Area Office for outstanding achievement in the administration and completion of its Buckhorn Urban Renewal Project. The 30-acre project has fostered renewed economic activity for its business core and provided new housing—both public and private—creating overall sound development and needed public improvements to the area.

Lincoln Heights

The predominantly black suburban community of Lincoln Heights which

borders Cincinnati, has also won plaudits for community development. Its 6,000 residents for the first time are beginning to see and experience the results of a long awaited dream to improve their living standards (see page 20).

In Northern Ohio's Cuyahoga County lies the suburban community of Berea, home of Baldwin Wallace College and training grounds for the Cleveland Browns professional football team. But Berea (population 23,000), like other small communities, experienced a slow but steady deterioration of its commercial business district while nearby shopping centers were capitalizing on the local market.

Today the city is witnessing a new era with completion of its modern Berea Commons, which replaced aging structures, many of which were obsolete and vacant. The well-designed brick buildings in the Berea Town Center Urban Renewal Project are complemented by a mall area which is used periodically for special events. New public improvements dot the 16.8-acre project area; and where severely blighted structures once stood along the Rocky River, a modern Grindstone Heritage Park borders Riverside Drive by the historic village triangle.

Redevelopment was not without its share of problems, but City officials can answer critics by showing that the assessed value of the initial land parcels before urban renewal has increased from \$701,000 to \$1.2 million. In addition, other businesses within the project bordering the triangle and the Commons have rehabilitated their buildings privately in keeping with Berea's "new look" in the downtown area. Also slated for construction soon are 180 units of Section 8 rental housing for the elderly and further improvements throughout the City under its third-year Community Development Block Grant Program. □

Mr. Jamieson is the Public Information Officer in the Columbus Area Office.

Urban Revitalization through Historic Preservation

by Linda C. DeJong

The Heritage Hill Foundation (1968) and the Heritage Hill Association of Grand Rapids, Michigan, nonprofit charitable preservation corporations, not unlike governmental agencies, share a mutuality of concern in the areas of funding and credibility.

The most notable collection of the city's mature housing is located primarily in the Heritage Hill Historic District. Many of these remarkable homes had been allowed to deteriorate. Long-and short-term mortgages and home improvement loans were not available to owners of historic homes in the District. As recent as the late 1960's, mortgage money was not available for those gracious old homes which stood mute in the face of incipient blight. People who organized the Heritage Hill Association in 1968 were confronted with what seemed to be insurmountable problems.

Skeptical city officials listened to the Association's pleas for time to evaluate the architectural and historic significance of the inner-city homes of Heritage Hill. Financial institutions turned deaf ears to applications for funds to implement the more practical aspects of historic preservation.

The preservationists, however, were determined to open lines of communication. There had to be a means of exchanging ideas and information. It was, however, not practical to route every concern to the FHA office in Grand Rapids and the HUD office in Chicago via the Nation's capital. Therefore, it was necessary that the organizations establish and maintain an interlocking liaison with regional and local HUD and FHA offices.

Preservationists were seeking to rehabilitate and revitalize the homes of Heritage Hill. Like dowager sleeping



Once slated for demolition, this house was restored by the Heritage Hill Foundation. It now serves as an educational work training site for the Grand Rapids Public Schools.

beauties, these grand old residences had slumbered through the depression, World War II, and the flight to the suburbs. This malaise was further compounded by the benign neglect and abuses of absentee landlords. From 1845 until 1920, these homes had been the mirrors of their owners' self-images, reflecting the families' prominence in the community. The *crème de la crème* of Grand Rapids society lived in Heritage Hill.

Ambassadors, senators and congressmen were able to find quiet moments to gather their thoughts in their elegant homes, away from the daily pressures of government. Educators, bankers and judges shared ideas and hopes for their city as they strolled downtown to their offices. Lumber barons took matters into their own hands and blew up new bridges which were apt to jam up their log runs down the Grand River. Refrigerator manufacturers and inventors of "sticky fly paper" put down roots on the tree-lined streets of Heritage Hill. Families whose names were synonymous with fine furniture in the city which was to become the "Furniture Capital of the World" used the skills of their companies'

craftsmen to enhance the interiors of their spacious homes. The men and women who were the leaders in business and education, in the political, financial and cultural life of Grand Rapids, were neighbors in Heritage Hill.

These dynasts built homes to reflect their individual personalities, hopes, dreams and idiosyncracies. In doing so, they left the community a legacy of architectural styles which set this historic district apart as somewhat unique in the United States. Fifty-nine styles of architecture have been identified and recorded. Among the 1,300 homes within the District, a vivid display of the architects' and builders' craftsmanship is evident everywhere. A monumental Italianate Villa shadows a neighboring Greek Revival Temple style home. Impressive Queen Anne, Chateausque and English Medieval homes grace the streetscapes. Classic Georgian Revival and Romanesque Revival residences contrast with the intricacy of horizontal and vertical detail of a delightful stick style home. A Second Empire mansion stands beside a charming Gothic cottage. The readily identifiable Prairie style of Frank



Frank Lloyd Wright House in Heritage Hill District—example of his "Prairie Style"

Lloyd Wright strikes an interesting counterpoint.

The Heritage Hill Historic District is listed on the National, State and Grand Rapids Registers of Historic Places, and is one of the largest urban Historic Districts in the United States. In its 356 acres is reflected the spirit of a people and a city. Today its homes are again assuming their rightful place in the community, bringing the admiration of visitors and residents alike. The quality of construction and graceful proportions recall the leisurely tempo of another era, and yet are adaptable to the needs of the contemporary lifestyles of their present owners and occupants. Here, some of the best housing buys on the market today may be found. They are very much in demand.

Evolvement of Association

The Heritage Hill Association was founded as an active, neighborhood-oriented organization to preserve, restore and revitalize the homes in the District. At that time the residents were highly transient. Many of the fine old homes had been insensitively converted into as many apartments as the floor space would accommodate. Absentee landlords collected rents,

spending little on maintenance or improvements. The homes reflected a spirit of despondence, and clung tenuously to an aura of genteel poverty.

The Heritage Hill Association grew, within months, from a "neighborhood club" to a vital pressure group in the community. It drew its members from descendants of the original residents who had retained their family homes, and newcomers to the neighborhood who enjoyed the amenities offered by the gracious homes and the conveniences of urban living. These people were joined by members of families who had left the District, but still treasured memories of the years they spent in Heritage Hill. Its leaders were men and women, new to the city, who felt an immediate affinity with, and appreciation for, the fine old homes. The first crisis which had to be faced was the "battle of the bulldozers of progress." The homes had to be kept standing while the Association struggled for acceptance as a residential community, entitled to mortgage money, home improvement loans and simple luxuries like homeowners' insurance. Advocates for historic preservation rallied around the historic preservation banner. With assistance

from the National Trust for Historic Preservation and the Grand Rapids City Commission, they retained the services of two eminent preservation planners and architects. An inventory, both historic and architectural, of the homes within the District boundaries was begun in 1969 and completed in 1970. On March 11, 1971, Heritage Hill was placed on the National Register of Historic Places, forcing the modification of an anti-preservation urban renewal project. At issue was the demolition, by the Board of Education, of three blocks of fine old homes. Under the National Historic Preservation Act of 1966 no Federal funds may be used in any project that will have an adverse effect on a district which is listed on the National Register. The Act further provides that concerned parties may request a Compliance Conference when the problem cannot be satisfactorily dealt with locally.

Real estate values in Heritage Hill were at rock bottom. Property taxes were correspondingly low. Mortgage money for the District was almost nonexistent. Except for those few who had held on and the adventurous newcomers, family life in this neighborhood was minimal; there was no sense of community. No common



Turn-of-the-Century homes currently under renovation by students

bond united residents who themselves were victims of the system which was destroying the neighborhood by the simple process of neglect. However, beneath the surface there were the first ripples of what was to become an aggressive campaign to focus community attention on the cultural resources of the Historic District.

By 1972 there were new stirrings of neighborhood pride. The Heritage Hill Association had begun sponsoring annual Historic Home Tours to acquaint residents and visitors with the exceptional qualities of the historic homes. These were an immediate success, and attendance grew each year. The Foundation began publishing an annual calendar which featured pictures and histories of the Heritage Hill homes. Again, acceptance was enthusiastic and immediate. These two projects brought positive results in many areas. They focused community attention on the Historic District; they promoted a sense of pride and accomplishment among members of the organizations and residents of the District; and they raised much needed funds for the Association and the Foundation.

Historic preservation moved out of the society section and onto the real-estate page. New, positive programs for neighborhood revitalization began to emerge. The Association stood as the watchdog, concerning itself with zoning, housing and the enforcement of the Grand Rapids Historic Preservation Commission Ordinance. The Foundation began to look for ways to stem the tide of deterioration of the housing stock. Recognizing that the loss of a single home could undermine the future stability of an entire block, the Foundation contacted the owners of condemned houses, and urged them to donate the properties to the Foundation rather than let the City demolish them. The donor would receive a tax deduction and the Foundation would have an opportunity to rehabilitate homes which would otherwise be lost forever.

Preservation Started

In January, 1973, the Heritage Hill Foundation acquired its first piece of real estate. Located at 532 Paris Avenue, SE, the craftsman-style home had been repossessed by the FHA.

The cost of repairs exceeded the assessed valuation; it was slated for demolition. The home was within the Heritage Hill boundaries, and because Federal funds would be involved in the demolition process, representatives of the Foundation were able to persuade local FHA officials of the practicality of selling the home to the Foundation instead of paying the cost of demolition. Demolition would, of course, ultimately depend on the outcome of the 106 Compliance Conference which the Heritage Hill Association was requesting. Could FHA demolish the home without adversely affecting the integrity of the streetscape?

FHA sold the home to the Foundation for a nominal amount, without the necessity of a Compliance Conference. Immediate steps were taken to board up and secure the property. The exterior repairs were made and the house was painted. However, the Foundation had no funds to proceed with the rehabilitation program. Many avenues were unsuccessfully explored and the house sat vacant.

Concurrently, the Foundation be-



TOP—Chateausque style house (1896) in the Heritage Hill District. BOTTOM—Linda DeJong, Heritage Hill Foundation executive director, admiring woodwork in restored home.

gan to acquire other pieces of derelict property. Abandoned, fire-damaged, vandalized single and multiple-family residences were donated to the organization. It suddenly found itself with a growing inventory of homes, all of which were in need of extensive rehabilitation. The question was what to do with them, consistent with the principles of historic preservation and economic viability.

One area successfully explored was Urban Homesteading. The City had no homestead program, so the Foundation proceeded to develop its own. The first two homes which were sold for rehabilitation, as a single-family and as a two-family, cost the buyers \$1 a piece. Another piece of property was sold for \$1,750 for renovation as a four-family dwelling. To protect the homes from future desecration, the

Heritage Hill Foundation retained facade easements on all properties it sold. It still follows this procedure—an accepted practice in Historic Districts throughout the country.

Property was being turned over, but the Foundation clung to its first acquisition and continued to search for ways to handle the rehabilitation itself. In the summer of 1974, an innovative concept which the Foundation refers to as its "Pres-Ed Program" evolved. An alliance was formed between the preservationists and the Board of Education. The Grand Rapids Public School System was developing a program to teach students the skills involved in home repair and renovation. The potential of this "Pres-Ed Program" appeared to be unlimited. Beginning with the 1974-75 school year, students used one of the homes, a four-family, as its classroom. The Foundation provided all of the materials and the students, under careful supervision, provided the labor force. With the exception of licensed electricians, heating and plumbing contractors, the students did all of the work. The home was sold in 1976 and, most importantly, the buyer, a non-owner occupant, private investor, was able to obtain an FHA-insured mortgage.

The program worked and the quality of the workmanship was found to be up to and above FHA standards. The Board of Education and the Foundation began planning to expand the project. Grand Rapids Junior College joined the high-school students and 532 Paris Avenue, SE was scheduled for rehabilitation. Work began in 1975 and was completed in May 1977. Assisted by licensed contractors, the students literally rebuilt the home inside of its shell. Heating, plumbing and electrical systems were upgraded. Plaster and drywall were torn out and replaced. Woodwork was stripped of its many coats of paint and restored to original condition. A formerly simple dining room was "glamorized" by the addition of wainscoting and a coffered ceiling. A completely new kitchen was built, retaining the character of

the original by duplicating woodwork and leaded glass cupboard doors. The house was listed for sale and appraised for owner occupancy at the full purchase price in September 1977 by the local FHA office.

During the summer of 1976, the Foundation had an opportunity to acquire two more pieces of condemned property. In order to do so, it had to pay back taxes and liens. Funds for acquisition came from its revolving fund. The School System and Junior College agreed to undertake the rehabilitation of these two homes as the 1977-78 "Pres-Ed" project. To help finance this renovation, the Foundation was able, with the assistance of the Grand Rapids Department of Housing and Community Development, to obtain HUD Section 312 loans in the amount of \$18,000 for each house.

It is important to point out that the two homes presently under repair and renovation are located just a half block from the inner city's first new housing development in years. Heritage Commons, a complex of 44 detached and semi-detached townhouses, is being built by the Greater Grand Rapids Housing Corporation, in cooperation with the Michigan State Housing Development Authority. The mortgages will be insured by FHA. The site of this development is the southwest corner of the Historic District. These homes are designed to appeal to the buyer who desires the conveniences of urban living, but is not a dedicated old-house buff.

If the Heritage Hill Historic District had not shown signs of strength and stability, millions of dollars would not have been invested in the Heritage Commons Project. If Heritage Hill had not focused community attention on the conveniences of living downtown, the market for these homes would be very limited.

While the Foundation was developing its "Pres-Ed" program, it was also working to eliminate the lending practices of the late 1960's which had led to charges of red-lining. People wanted to buy and renovate

Heritage Hill homes. There was no "typical" buyer for an historic home. Heritage Hill buyers measured their homes in cubic feet. Those marvelously proportioned rooms with their 12-foot ceilings were assets, not liabilities as defined by government manuals. A slate roof, even if in need of repair, was an amenity for which the buyer would pay extra. In order to properly and fairly appraise the value of a Heritage Hill home, appraisers had to erase from their minds any comparisons with the three-bedroom ranch homes with walkout basements found in modern suburbia.

Fortunately, local FHA officials were willing to listen. In Mr. John Kirkwood, the Director of the local office, Heritage Hill found an enthusiastic ally. With a "track record" in preservation-conscious Cincinnati, Ohio, he was familiar with the concepts of historic preservation and worked with representatives of Heritage Hill to redefine standards for appraising the unique historic homes on their own merits.

One policy which has been initiated is that of appraising a home at its "rehabbed" value. Following the appraisal, a commitment is issued for the value of the home after required rehabilitation is completed. Local FHA personnel work with the homeowner or his contractor to prepare joint work-write-ups. They are available to advise on various phases of the work. Today FHA is in the neighborhood communicating its concerns and providing assistance to the property owners.

The availability of FHA-insured mortgages has gone a long way toward convincing local financial institutions to make conventional mortgages on homes in the Historic District. The HUD Section 312 low-interest loan program is enabling homeowners to expand the scope of their individual renovation projects and complete them more quickly.

The City adopted an Urban Homestead Ordinance in 1975 and appointed a Citizen's Commission to administer the program. This program has also benefited from the spirit of

cooperation between FHA and Heritage Hill. Another repossessed home was offered to the Heritage Hill Foundation by FHA. It was accepted, purchased for a nominal amount and optioned to the City for its homestead program. In 1976, the home was acquired by a homesteader and is being renovated by its owner-occupant.

The necessity for and success of the interlocking liaison has been amply demonstrated by the dramatically improved relationship between the Heritage Hill organizations and the governmental agencies charged with the responsibility for handling residential properties. The two key ingredients in this success story are mutual respect and a positive exchange of ideas. Preservationists have to recognize the fact that a governmental agency must work within specified guidelines. The agency must express a willingness to rid itself of pre-conceived ideas about the viability of a neighborhood, highest and best use, and "typical buyers," and adapt its programs to fit, whenever possible, the particular needs of an Historic District.

In Heritage Hill, positive rehabilitation projects are moving forward, carried on by private homeowners and by the Heritage Hill Foundation. The elements necessary for the continued expansion of these programs are a strong neighborhood organization, District-wide enthusiasm for the renovation of the historic homes, an active real-estate market, and a feeling of excitement, challenge and neighborhood pride.

All of these things can be found in Heritage Hill and all draw strength from the positive attitudes expressed by the Grand Rapids Federal Housing Administration officials. The problems have not yet been solved. There are still obstacles to be overcome. But the Heritage Hill Historic District is moving at an accelerated pace toward the goal of complete preservation, rehabilitation, and revitalization. □

Ms. DeJong is executive director of the Heritage Hill Foundation.



FHA and U.S. Housing Production, 1935-1977

A special task force named by Housing Secretary Harris to study the future of FHA issued a report in September 1977 which concluded that a revitalized Federal Housing Administration is essential to meeting national housing needs. A look at the contribution of FHA to national housing production is therefore of interest. From the enactment of the National Housing Act in 1934 through June 30, 1977, the FHA has provided mortgage insurance for over 12 million homes and 2 million multifamily dwellings. In addition, loans have been insured for the purchase of 54,000 mobile homes and for 2.5 million property improvement loans. In 1935, FHA's first year, 14,000 units were started for 6 percent of total private housing starts. FHA's share of the private market grew to over 30 percent during the 4-year period, 1938-1941. During the abnormal war years, 1942-1945, nearly half of all private starts were FHA insured. The year 1945 saw the initiation of the VA program which provided for Federal guarantee of home loans to qualified veterans. The postwar housing boom featured annual production of over one million units. In the 1948-1950 period, FHA accounted for one-quarter of all starts. The next plateau, 1958-1962, witnessed a 20 percent share of production. For the remainder of the 60's, FHA averaged only a 14 percent market penetration. The FHA postwar high of 30 percent was reached in 1970 with the impact of the housing subsidy programs. Following the housing moratorium in 1973, FHA's lowest point since 1946 was reached in 1974. The FHA market share of 7 percent in that year has since risen to about 10 percent.

New Privately-Owned Housing Units Started in Selected Years: 1935-June 1977

(Numbers in thousands)

Year	Total Private Starts	FHA Starts		FHA-VA Starts	
		Number	Percent of Private	Total	Percent of Private
1935	216	14	6	14	6
1936-1937	636	109	17	109	17
1938-1941	2,007	677	34	677	34
1942-1945	949	446	47	446	47
1946	1,015	69	7	161	16
1947	1,265	229	18	389	31
1948-1950	4,682	1,145	24	1,498	32
1951-1955	7,427	1,349	18	2,495	36
1956-1957	2,500	357	14	756	30
1958-1962	6,859	1,392	20	1,839	27
1963-1969	10,037	1,428	14	1,803	18
1970	1,434	433	30	494	34
1971	2,052	528	26	621	30
1972	2,357	371	16	475	20
1973-1976	6,081	511	8	847	14
1977 (through 6/30)	950	93	10	157	16

Sources: *Historical Statistics of the United States, Census Bureau and HUD Statistical Yearbook.*

—Prepared by Robert Ryan
HUD Office of Management Information

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